

Investment Risks & Goals

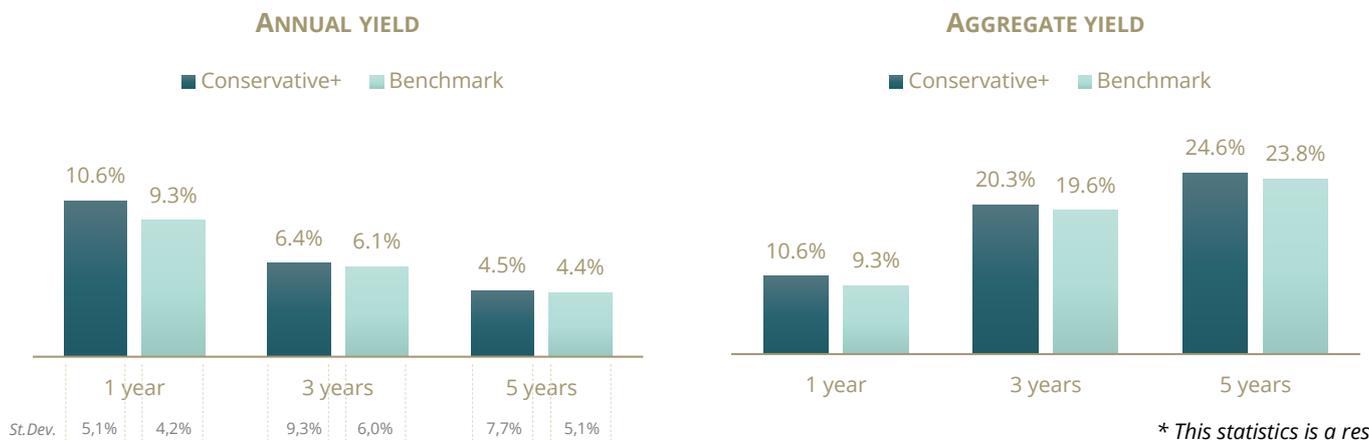
Conservative+ portfolio is designed for investors expecting a moderate level of income without accepting a significant volatility risk (i.e., fluctuations in the investment costs). Most of the portfolio assets are placed in low-risk instruments, such as bonds with a credit risk not lower than the investment grade. A relatively small proportion of assets is placed in financial instruments with high growth potential and current yield, such as stocks and bonds with a credit rating below the investment grade. Bank offers you sustainable investment projects based on the principles of the ESG (Environmental, Social, Governance) providing you the opportunity not only to generate capital gains but also make a substantial contribution to the preserving environment and social welfare at present and in future.



Approach to Allocation

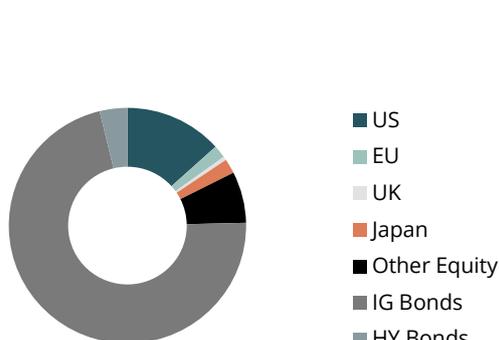
We apply passive approach to the allocations of model portfolios. This means that we create an investment strategy at the level of asset classes and geographical regions, rather than individual issuers. The investment strategies developed by the Bank provide for investments in bonds (of investment grade and below the investment grade) and stocks of the US, Europe, Japan and emerging markets.

Historical Performance, August 2021*

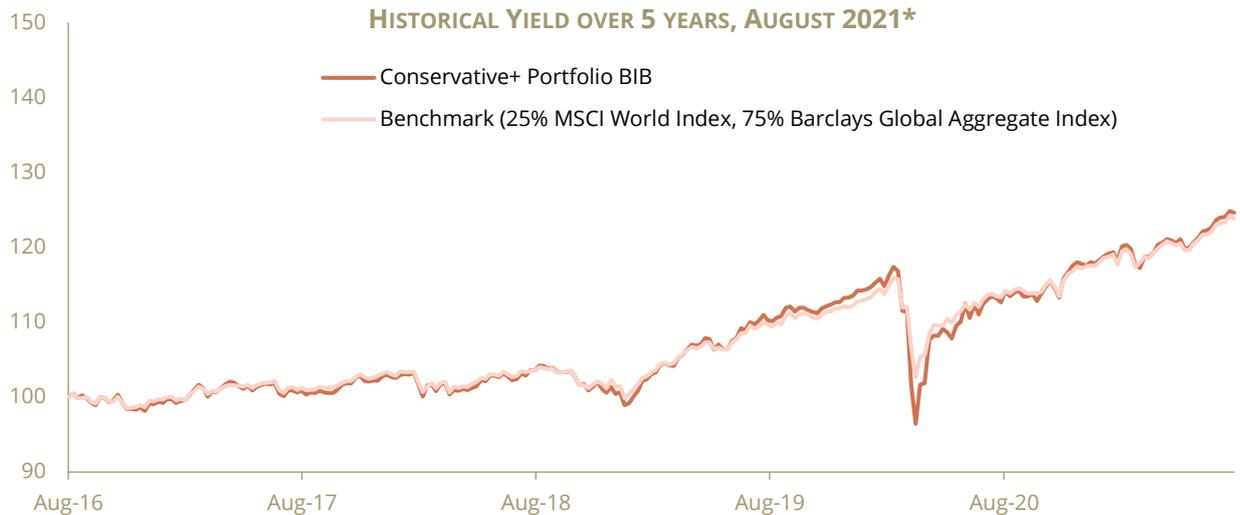


* This statistics is a result of a simulation based on historical performance (back-testing) as on 30th of July 2021.

Model allocation of a Conservative+ portfolio in August 2021



	Return % (1Y)	Return % (3Y)	Return % (5Y)	Standard deviation %
Equities				
US large cap	33.48	14.79	14.32	14.10
US small cap	46.23	9.97	12.28	21.57
Europe large cap	31.43	8.97	9.71	13.94
Europe small cap	41.84	11.67	12.68	16.88
EM aggregate	20.99	7.59	8.67	13.70
Japan large cap	21.12	4.84	7.07	11.85
Fixed income				
US IG	-0.73	6.16	2.63	6.97
Europe IG	2.25	2.68	1.53	4.19
Japan	-3.43	0.84	-2.66	7.81
Developed HY	8.54	3.20	3.21	7.29
Developed IG	1.32	4.63	2.24	5.35



*This statistics is a result of a simulation based on historical performance (back-testing) as on 30th of July 2021. The data source: Bloomberg Professional. MSCI All-Country World Daily Total Return Net USD (stock market) captures 25% of the benchmark, and Bloomberg Barclays Global Aggregate Index (bond market) - 75%. The indicated earning yield does not include bank commissions. The information refers to historical results and cannot serve as a guarantee for results in the future. The capital charges may grow or fall. ESG score model is developed by our experts based on the principle of relative within-sector evaluation method. The ESG score is calculated out of the top ten holdings in each exchange traded fund in our portfolio. Based on their relative weight in the portfolio we assign the ESG score to the total portfolio on a scale from D to AAA.

Asset allocation	The rigorous implementation of an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame.
Volatility	A statistical indicator that reflects the historical degree of the stability of investment returns. A higher value of the gauge indicates a higher level of risk. In these materials, the chosen measure of volatility is the standard deviation.
Credit rating	A grade assigned to that bond by rating agencies that reflects the firm's or institution's ability to meet its ongoing and long-term credit obligations. The most well-reputed credit agencies are Standard & Poor's, Moody's Investor Services, and Fitch Ratings. Bonds with a rating not lower than BBB- (for S&P and Fitch) and Baa- (Moody's) are considered to be investment grade bonds (i.e. feature a relatively lower level of default risk). Bonds with a lower credit rating are deemed to be non-investment grade bonds and typically carry a greater risk of default.

Investment services, including investments in financial instruments, involve risks, which are described in the document "Description of Financial Instruments and Their Inherent Risks". You can view this document on the webpage of AS Baltic International Bank: www.bib.eu/en/documents.

A strategy implementation opportunity depends on the risk profile of the Client and status of the Client; therefore, this information is of a purely informative character and cannot be evaluated as an appeal to action or a consultation. To create an individual strategy of the Client's portfolio management, the Bank needs additional information about experience and knowledge of the Client in transactions with financial instruments, as well as information on the level of prosperity of the Client.

Prior to taking a decision on concluding an agreement with Baltic International Bank on provision of investment services, apart from the corresponding agreement provided for you by your personal banker, please also study the following documents placed on the Bank's webpage www.bib.eu/en/documents - General terms and conditions for Bank transactions, Client order execution policy (transactions in financial instruments), General Information Concerning an Investment Services Provider and Investment Services, Policy of preventing conflicts of interests, Characteristics of financial instruments and their inherent risks, Policy of determining the client's status in provision of investment and accompanying services, Price list of banking services of Baltic International Bank.

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